

# *Report and Financial Statements*

## *For the Year Ended 31 May 2023*

*5/31/2023*

*Understanding Ministries*

*Registered Charity No: 1067856*

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## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees:** Rev. F J McDavid  
*Miss Caroline Nyarkoa Odei*  
Mr Kwaku Kesse

**Registered Office:** 82 Kentlea Road  
Thamesmead  
London  
SE28 0JZ

**Charity Number:** 1067856

**Accountants:** Jacob Manu & Co  
1 Mark Street  
Stratford  
London  
E15 4GY

**Bankers:** Barclays Bank

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## **REPORT OF THE TRUSTEES**

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The Trustees present Understanding Ministries' Annual Report and financial statements for the year ended 31 May 2023. In preparing the annual report and financial statements, the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised 2005). The Report and Financial Statements also comply with the Companies Act 2006.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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#### **Legal status and Governing document**

The objects and powers of the charity were established in the Constitution of the church, and the church is governed by it. The trustees are responsible for arranging and organising Annual General Meetings - AGM.

#### **Appointment**

The Trustees who held office during the financial year and at the date of this report are set out on page 3. The Trustees are elected by the church in accordance with the rules set out in the Constitution. The method of appointment of the Church Council is also set out in the Church Constitution.

#### **Induction and Training**

Trustees, as part of their induction and training, go through series of training where they are briefed on their legal obligations and the Charity Commission's guidance on public benefit. The objects and aims of the church are explained. Trustees and volunteers are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Organisation**

The Board of Trustees and Council members are responsible for the overall strategy and direction of the Ministry. The Board of Trustees and Council members have the responsibility of cooperating with the Reverend Minister in promoting the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Trustees give their time on a

voluntary and unpaid basis. The Church Council has wide responsibilities. It has some committees, each dealing with a particular aspect of church life. These committees, which include music/worship, events, outreach, welfare, and finance, are accountable to and report back to the Board of Trustees and Church Council on a regular basis.

### **Risk Management**

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate exposure to the major risks. The trustees have a risk management strategy which comprises:

- regular financial review to ensure the continuity of charitable activities;
- ensuring all equipment are in good condition and safe for use;
- Competence based training for volunteers and trustees;
- liability insurance;
- Monitoring of new legislative requirements;
- Policies and procedures for children and vulnerable adults protection;
- Health and safety risks

### **Interest of Board of Trustees**

No member of the Trustees had, at any time during the period under consideration, any interests in the charity which require disclosure in this report.

## **AIMS AND PURPOSE/OBJECTIVES**

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The Understanding Ministries was set up to, among others, to promote the religious and social well-being of the members and the community as a whole. The principal activities of the church include:

1. To propagate the Gospel of the Kingdom of God through activities such as regular Sunday meetings and weekly activities, conferences, ministerial training and seminars.
2. To share and demonstrate God's love by ministering to the needs of people (both members and others).
3. Worship services that are open to the general public—during these services, we encourage personal growth by developing and empowering people through preaching and teaching the Gospel of Jesus Christ and motivating them through seminars and conferences.
4. To develop a strong society by encouraging and building strong family relationships through seminars/conferences and family-friendly activities.
5. To evangelise in order to tell people about the love of Christ by the use of the media, tracts and other educative materials.
6. To undertake general charitable activities – such as providing aid for the needy.
7. To organise conferences and other social and community activities to let the people know their social responsibilities and to increase their relationship with God.

## **OBJECTIVES, AIMS AND PRINCIPAL ACTIVITIES**

The Understanding Ministries is committed to enabling as many people as possible to worship at our church and to become part of our community. The trustees and the church council maintain an overview of worship throughout the parish and constantly seek ideas on how our services can involve the diverse population and groups within our parish and the community. Our services and worship put faith into practice through prayer, scripture, music, and sacrament.

When planning our activities for the year, the Board of Trustees has considered the Charity Commission's guidance on public benefit, particularly the specific guidance on charities for the advancement of religion. In particular, we try to enable ordinary people to live out their faith as part of our church community through:

- Worship and Prayer, learning about the Gospel, and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the parish.
- Missionary and outreach work.
- Education and training

A summary of the result of the Understanding Ministries activities during the period is given in the Statement of Financial Activities on page 16. The total income of the charity amounted to £43,522. The income was spent judiciously to meet the objectives of the Church.

### **Volunteers**

Without the selflessness, hard work and dedication of our volunteers, we couldn't have achieved our aims and objectives. The volunteers contribute greatly to the running of the church and enables it to fulfil its objectives.

**Financial Review**

The book values of the assets held at the year-end are, in the opinion of the Board of Trustees, as stated in the financial statements. Also, in its opinion, adequate assets are available to fulfil the obligations of the charity. Our principal source of funds comes from the generous donations of committed members through Tithes and Offerings. Total receipts of £43,522 of which £ 37,538 were spent to promote the Christian ministry and charitable activities.

**Reserves Policy**

The Trustees have identified the need for reserves to be held. Developing a reserves policy will assist in strategic planning, such as considering how new projects or future activities will be funded. To ensure sustainability and continuity of funding future activities, the trustees plan to have unrestricted funds to cover at least three months of unrestricted payments. This policy will be reviewed regularly to meet the charitable needs of the Church.

**Investment Policy**

The Trustees can invest in such assets as they see fit. The charity's investment policy is appropriate to the nature of the funds for which the investment is held. The primary investment aim is to provide high security and liquidity and maximise returns whilst adopting a conservative approach. This policy is not yet implemented.

**Grant Making Policy**

As part of our charitable objective of providing aid to the needy, grants are not made, but donations in the form of cash gifts are given to needy people and members who find themselves in some form of financial difficulty.



## **ACHIEVEMENT AND PERFORMANCE**

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### **Worship and Prayer**

Understanding Ministries continues to offer a range of services during the week and throughout the year. The church and the community find these services beneficial and promote their spiritual growth.

### **Education, Missions and Evangelism**

Understanding Ministries continue to educate and help those in need, and members are encouraged to take learning opportunities to facilitate their growth.

### **Outreach – Missions and Evangelism**

Understanding Ministries has partnered with Churches in India and Africa to propagate the gospel. In the UK, through media and personal evangelism, many people are reached for God.

### **Pastoral Care**

Pastoral visits were made to as many people as were willing to access this service. Counselling demand was again high this year as more people reached forward for effective.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The Charity Commission requires the directors, the Trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end, of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Prepare trustees annual reports and submitting annual returns forms and accounts
- Comply with the rules of the charity as set out in the governing document
- Ensure the charity is run carefully, by making sure it :
- Uses its charitable funds and assets wisely to further its charitable aims
- Does not do anything to put its property, funds , assets or reputation at risk
- Takes appropriate care and advice when investing or borrowing money.

### **INDEPENDENT EXAMINER**

Jacob Manu & Co has expressed their willingness to continue in service and a resolution on this would be put to the Board of Trustees at the forth-coming Annual General Meeting.

## STATEMENT OF DISCLOSURES

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- a) So far as the Trustees are aware, there is no relevant information of which the Church's Independent Examiners are unaware, and
- b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant information and to establish that the Church's Independent Examiners are aware of that information.

By order of the Board of Trustees

.....  
J F McDavid  
Trustee

Date:08/03/2024

**INDEPENDENT EXAMINERS' REPORT FOR THE YEAR ENDED 31 MAY 2023**

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We have examined the financial statements on pages 16 to 19 for the year ended 31 May 2023 which comprises the statement of financial activities. The financial statement has been prepared under the historical cost convention and the accounting policies set out therein.

The report is made solely to the Charity's Trustees, as a body, in accordance with Section 44 of the Charities Act 1993. The Trustees of the charity are of a general opinion that an audit is not required in accordance with Section 43(2) of the 1993 Act, and have opted for an independent examination instead.

**Respective responsibilities of trustees and independent examiners**

The Trustees, have responsibilities for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards. These are set out in the Statement of Trustees' Responsibilities in the Report of the Trustees.

Our responsibilities as independent examiners of the charity are:

1. to examine the books and accounts of the charity in compliance with Section 43 of the 1993 Act;
2. to strictly adhere to the general directions provided by the Charity Commission under Section 43(7)(b) of the Charities Act 1993; and
3. to state whether particular matters have come to our attention in the course of our examination.

We report to you whether the financial statements have properly been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 and in accordance with the Charities Act 1993.

We also report to you whether the information given in the Trustees' Report is consistent with the financial statements. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the financial statement

In addition we report to you if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our work, or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

### **Basis of opinion**

Our examination was carried out in accordance with the General Directions provided by the Charity Commission. The examination includes a review of the books and documents and other accounting records kept by the charity and comparing these with the accounts presented.

Our examination also includes consideration of any unusual disclosures or items in the accounts, and seeking explanations from the Trustees. It is imperative to state here that the procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view'. Our report is therefore limited to the statements below:

### **Independent examiners' statement**

In connection with our examination, we report that no matter has come to our attention, which gives cause to believe that the following have not been met:

1. Keeping proper accounting records in accordance with Section 386 and 387 of the Companies Act 2006.
2. Preparing accounts which accord with the underlying accounting records and which are in compliance with the Companies Act 2006, the United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Statements of Recommended Practice (SORP) - Accounting and Reporting by Charities and the Charities Act 1993.
3. Consistency of the information contained in the Trustees Report with the financial statements.

..... Date: .....08..... Day of...March.....2024

Jacob Manu & Co  
Chartered Certified Accountants  
1 Mark Street, Stratford, London, E15 4GY

### STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDED 31 May 2023

<b>Descriptions by natural category</b>	<b>Note</b>	<b>Unrestricted funds</b>	<b>Restricted income funds</b>	<b>Total this year 2023</b>	<b>Total last year 2022</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>	<b>3</b>				
Voluntary Income		38,897	-	38,897	48,925
		-	-	-	-
Other Income		4,525	-	4,525	9,468
		-	-	-	-
		-	-	-	-
<b>Total incoming resources</b>		<b>43,422</b>	<b>-</b>	<b>43,422</b>	<b>58,393</b>
<b>Resources expended</b>	<b>4</b>				
Cost of Activities		35,234	-	35,234	40,846
		-	-	-	-
Governance Cost		2,304	-	2,304	4,829
		-	-	-	-
<b>Total resources expended</b>		<b>37,538</b>	<b>-</b>	<b>37,538</b>	<b>45,675</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>5,884</b>	<b>-</b>	<b>5,884</b>	<b>10,037</b>
<b>Gross transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net incoming/(outgoing) resources before other recognised gains/(losses)</b>		<b>5,884</b>	<b>-</b>	<b>5,884</b>	<b>12,718</b>
<b>Other recognised gains/(losses)</b>					
<b>Net movement in funds</b>		<b>5,884</b>	<b>-</b>	<b>5,884</b>	<b>12,718</b>
<b>Total funds brought forward 1/06/17</b>		<b>23,091</b>		<b>23,091</b>	<b>10,373</b>
<b>Total funds carried forward 31/05/18</b>		<b>28,975</b>		<b>28,975</b>	<b>23,091</b>

## Balance sheet as at 31 May 2023

	Note	<b>Total this year 2023</b>	<b>Total last year 2022</b>
		£	£
<b>Fixed assets</b>			
<b>Tangible assets</b>	6	23,619	20,019
		-	-
<b>Investments</b>		-	-
<b>Total fixed assets</b>		23,619	20,019
<b>Current assets</b>			
<b>Stock and work in progress</b>		-	-
<b>Debtors</b>			
<b>(Short term) investments</b>		-	-
<b>Cash at bank and in hand</b>		9,556	8,092
<b>Total assets</b>		33,175	28,111
<b>Creditors: amounts falling due within one year</b>		4,200	5,020
<b>Net current assets/(liabilities)</b>			
<b>Total assets less current liabilities</b>		28,975	23,091
<b>Creditors: amounts falling due after one year</b>		-	-
<b>Provisions for liabilities and charges</b>		-	-
<b>Net assets</b>		28,975	23,091
<b>Funds of the Charity</b>	7		
<b>Unrestricted funds</b>		28,975	23,091
<b>Designated funds</b>		-	-
<b>Total unrestricted funds</b>			
<b>Restricted income funds</b>			
<b>Total funds</b>		28,975	23,091

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 May 2023**  
**Registered Charity Number 1067856**

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**1 ACCOUNTING POLICIES**

The principal accounting policies which have been adopted are set out below:-

**2 BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005) issued in January 2005.

**3 INCOMING RESOURCES**

Voluntary income include grants that provide core funding or are of general nature are recognized in full in the Statement of Financial Activities in the year in which they are receivable, except when the donors specify that the grant given must be used in future accounting period, the income is deferred until those periods.

Incoming resources from charitable activities include income received under contract or where entitlement to grant funding is subject to specific conditions to deliver and is recognized, whereas the service is provided.

Other income is accounted for on a cash basis.

**4 RESOURCES EXPENDED**

Expenditure is recognised when the liability is incurred.

- Cost of generating funds are those incurred in attracting voluntary income
- Charitable activities include expenditures associated with the delivery of services and include both direct costs and support costs relating to each particular service
- Governance costs include the costs of the charity, including strategic planning for its future development, independent examination, any legal advice and all costs of complying with the constitutional and statutory requirements, such as costs of Trustees and the preparation of statutory accounts.
- Support costs include overhead and other costs not directly attributable to a particular function and apportioned over the relevant activity on the basis of management estimates consistent with use of the resources e.g., staff cost by time spent, property costs by floor space and other costs by their usage.



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 May 2023**  
**Registered Charity Number 1067856**

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**5 TAXATION**

The organization is a charitable institution with exemption from UK taxation under section 505 of the Income and Corporation Taxes Act 1988.

**6 TANGIBLE NON-CURRENT ASSETS**

The organization's non-current assets include musical instruments and they are depreciated on straight line basis

**7 FUND ACCOUNTING**

Unrestricted funds are grants, donation and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are funds that can only be used for specific purposes as laid down by the donor. Expenditure, which meets this criterion, is charged to the fund, together with a fair allocation of management and support costs.

Designated funds are funds set aside by trustees out of unrestricted general funds for specific future purpose, or relate to grants given specifically for the purchase of assets where the use is not restricted. The aim and use of each of the designated fund is set out in the notes to the financial statements.

## CHARITABLE EXPENSES

	Unrestricted	2023 Total	2022 Total
	£	£	£
Rent/Hall Hire	11,300	11,300	12,300
Donations	3,630	3,630	1,010
Multi- media	1,000	1,000	2,113
Professional fees	400	400	400
Mission and conference	4,200	4,200	6,250
Music	900	900	2,100
Administration/Stationery	1,904	1,904	4,429
Telephone	1,104	1,104	263
Welfare	13,100	13,100	16,810
<b>TOTAL</b>	<b>37,538</b>	<b>37,538</b>	<b>45,675</b>